

# **VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

Meeting of the Board of Trustees

March 21, 2005

## **Board members present:**

STEVEN JEFFREY, Chairperson, Employee Representative (term expiring July 1, 2007)

MARIE DUQUETTE, Governor's delegate

JEB SPAULDING, State Treasurer

## **Board members absent:**

W. JOHN MITCHELL, II, Vice-Chairperson, Employee Representative (term expiring July 1, 2005)

DAVID LEWIS, Employer Representative (term expiring July 1, 2006)

## **Also attending:**

Donna Holden, Board Coordinator

Ellen Griggs, New England Pension Consultants

David Minot, Director of Finance and Investments

The Chairperson, Steve Jeffrey, called the meeting to order at 12:45 p.m. on Monday, March 21, 2005, held in the Suzanna's Restaurant Conference Room, Airport Road, Berlin, VT.

## **ITEM 1:      Approve the Minutes of February 15, 2005 Investment Meeting March 8, 2005 Business Meeting**

**On a motion by Ms. Duquette seconded by Mr. Spaulding, the Board unanimously voted to approve the minutes of February 15, 2005, and March 8, 2005, as submitted.**

## **ITEM 2:      Approve the Disability Retirement for: *Perry Pecor***

**On a motion by Mr. Spaulding seconded by Ms. Duquette, the Board unanimously voted to approve the disability retirement for Perry Pecor, as recommended by the Medical Review Board.**

## **ITEM 3:      Discuss/Act on Global Bond Allocation and Manager**

The Board reviewed materials provided and 3/10/05 proposed asset allocation prepared by New England Pension Consultants, listed below.

		Plan/Target		
		Currently Approved Allocation**	Currently Approved Target***	NEPC Proposed Target with Global Bonds
<b><u>Equities</u></b>				
Large Value	Delaware	17.0%	17.0%	14.0%
Large Growth	Alliance	16.0%	16.0%	14.0%
<b>Total Large Cap</b>		<b>33.0%</b>	<b>33.0%</b>	<b>28.0%</b>
Small Cap Core	Lazard	10.0%	10.0%	10.0%
<b>Total Small Cap</b>		<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>
International Equity^	UBS	14.0%	16.0%	16.0%
Alternative Investments	Alternatives	4.0%	2.0%	2.0%
<b>Total Equities</b>		<b>61.0%</b>	<b>61.0%</b>	<b>56.0%</b>
<b><u>Fixed Income</u></b>				
Core Fixed Inc	Seix	27.0%	27.0%	27.0%
<b>Global Fixed Income</b>		<b>0.0%</b>	<b>0.0%</b>	<b>5.0%</b>
High Yield	Seix	5.0%	5.0%	5.0%
<b>Total Fixed Income</b>		<b>32.0%</b>	<b>32.0%</b>	<b>37.0%</b>
<b><u>Real Estate</u></b>	Met Life / SSR	<b>7.0%</b>	<b>7.0%</b>	<b>7.0%</b>
<b><u>Hedged Strategies</u></b>		<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b><u>Cash</u></b>		<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Totals</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\* From meeting minutes dated February 2001

\*\* From minutes dated September 24, 2002 and May 23, 2003 (High Yield)

\*\*\* Approved at the February 20, 2004 meeting

^ UBS authorized to invest up to 15% of their portfolio in emerging markets at May 23, 2003 meeting.

Prepared 03/10/05

**On a motion by Ms. Duquette seconded by Mr. Spaulding, the Board unanimously voted to approve the 3/10/05 proposed asset allocation prepared by NEPC, and invest, as timely as possible, the new 5% adopted Global Bond allocation with Brandywine Asset Management, LLC.**

**ITEM 4: Any other business to come before the Board**

None

**Adjournment:**

**On a motion by Ms. Duquette seconded by Mr. Spaulding, the Board unanimously voted to adjourn at 12:47 p.m.**

**Next Meeting Dates:**

The next scheduled quarterly investment meeting will be Tuesday, May 17, 2005.

Respectfully submitted,

Donna Holden, Board Coordinator  
for  
Cynthia Webster, Secretary to the Board